A REPORT ON ACCOUNTING EDUCATION IN ONTARIO UNIVERSITIES

by

The Study Group on Accounting

Committee of Vice-Presidents Academic

Council of Ontario Universities
Conseil des Universités de l'Ontario
130 St. George Street
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December 1982

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PREFACE

On 17 December, 1982, the Council of Ontario Universities approved this Report on Accounting Education in Ontario Universities, prepared by a study group of COU's Committee of Vice-Presidents (Academic). Council also approved the Committee's Memorandum of 28 September, 1982, and its recommendations, here appended to the Report as Appendix 3. The report has been forwarded to the Ontario Council on University Affairs; the letter of transmittal follows.

COUNCIL OF ONTARIO UNIVERSITIES
CONSEIL DES UNIVERSITÉS DE L'ONTARIO

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Dr. B.C. Matthews
Chairman
Ontario Council on University Affairs
700 Bay Street
7th Floor
Toronto, Ontario.

Dear Dr. Matthews:

At its meeting on 17 December the Council of Ontario Universities formally approved the attached Report of the COU Task Force on Accounting and the accompanying letter from the Chairman of the Vice-Presidents' Academic Group to which the Task Force reported.

After approving the Report Council instructed me to forward it to OCUA and to the Minister of Colleges and Universities noting in particular two points:

i. the limitations on the model of a professional school of accounting proposed by the Institute of Chartered Accountants of Ontario (ICAO), and the concerns expressed by the Task Force about how a university programme in accounting should be developed (Recommendation 2); and

ii. the difficulties of the Ontario universities in improving and expanding academic programmes in accounting in a period of very constrained resources.

Thank you for your interest. With best wishes.

Yours sincerely,

Edward J. Monahan.

Edward J. Monahan
Executive Director

EJM:bk
Att.

A REPORT ON ACCOUNTING EDUCATION IN ONTARIO UNIVERSITIES

Introduction

This report has been prepared by a Study Group established by the Committee of Vice-Presidents (Academic) in the Summer of 1981 at the request of the Council of Ontario Universities (COU) to advise that Council on the desirability or otherwise of establishing a professional school or faculty of accounting in one or more of the universities in Ontario. The request from COU was occasioned by a study undertaken by the Institute of Chartered Accountants of Ontario (ICAO). This study, whose results were published in the Fall of 1981 under the title, Professional Schools of Accounting in Ontario, endorsed the concept of the establishment of professional schools of accounting within the Ontario university system and indicated the willingness of the Institute to encourage with both financial and other resources the development of such schools.[1]

In fulfilling its mandate the Study Group was asked to examine the extent to which existing university programmes in accounting meet the needs of those concerned with the education of accountants; to consider ways in which a professional school of accounting would improve the options for the education of accountants; to examine curricular requirements and appropriate entry levels for professional programmes in accounting; and to study the resource requirements, including staff, of professional schools of accounting

1. Professional Schools of Accounting in Ontario
The Institute of Chartered Accountants of Ontario, Toronto,
Fall, 1981

and their impact on the university system in Ontario. The detailed terms of reference are attached as Appendix 1.

The Work of the Committee

The Committee has met nine times to study the issues, to interview interested parties, and to prepare this report. It has met with representatives of the Institute of Chartered Accountants of Ontario (ICAO), the Society of Management Accountants of Canada and of Ontario, the Canadian Federation of Deans of Faculties of Management and Administrative Studies (Ontario Region), individual members of faculty in accounting at Ontario universities, and persons involved with the British Columbia School of Chartered Accountancy and with the study of accounting education recently completed by the Alberta Institute of Chartered Accountants (AICA). As well, two members of the Study Group paid a brief visit to two U.S. universities, The University of Georgia and The University of Florida, to study their schools of accounting. A list of those interviewed and visited is attached as Appendix 2.

In addition, the Study Group reviewed a substantial amount of written material. This included material provided on a confidential basis by the Ontario Institute (ICAO) and by the two U.S. universities that were visited. The report to the Alberta Institute (AICA) was made available at a late stage in the work of the Group.

The Study Group wishes to express its appreciation for all of the cooperation and assistance it has received. Without this help it would have been impossible for the Group to complete its work. The Group notes, however, that limitations of time and financial resources have placed certain restraints on the comprehensiveness of this report. Given these limitations, it has not been possible to gather and examine all the data available on this complex topic; to interview the many people outside of the Toronto area who possess relevant knowledge and experience; nor to conduct further supplementary research. For example, as already mentioned, the direct knowledge of recent U.S. developments in this field was limited by budget constraints to a brief one-day visit to each of two campuses by only two members of the Group. Nevertheless, within these limits the Group is confident that the analysis and recommendations in this report are appropriate to its mandate.

The Background

It is evident that the present state of accounting education is a cause of deep concern for many who are directly involved in it. The present proposal of ICAO in support of the establishment of professional schools of accounting is only one example of this concern. At the present time, there is a growing shortage of professionally qualified accountants. At the same time, professional accountants require more and better training if they are to fulfil properly the expanded responsibilities that are

being thrust upon them. In short, there is today a clear, identifiable need for more and better trained accountants. If this need is to be met, a larger commitment must be made to accounting education. This commitment involves both the profession and the universities, which have accepted a large role in the professional education of accountants.

Unfortunately, the need for a larger commitment to the education of accountants is occurring at a time when the universities are under severe financial constraints. This unhappy congruence of factors is exacerbating the problem of how best to meet the need. In recent times the income of professional accountants has been increasing, in part as a result of the shortage of highly qualified personnel. Concurrently faculty salaries in the universities, including those of faculty in accounting, have been uncompetitive. Salaries of academic accountants may be described as those in a declining industry while those outside in the profession reflect the fact that accountancy today is a growth industry. This makes it very difficult for universities to recruit and retain qualified faculty in accounting. It also makes the pursuit of doctoral work in accounting, the path to a career as an academic accountant, unattractive. This latter is decisive, since it affects the ability of the universities to develop a strong faculty group in accounting.

Thus, while student demand for places in university programmes in accounting is increasing, in large part in response to the excellent career opportunities now perceived to be available, the ability of the universities to respond

positively to this demand is limited. The result is increased work-load on a relatively small group of full-time academic accountants, greater pressure to hire part-time personnel and personnel with less academic experience, and more queuing among students for places in courses and programmes in accounting. Because academic accounting is not perceived to be a financially attractive career, there are few recruits to it. Because enrolment pressure is strong, course load and class size increase while still failing to satisfy student demand and professional need. This enrolment pressure is common in many other university programmes which are perceived to provide attractive career opportunities; however, it is currently very strong in accounting.

Given such circumstances, it should not be surprising that there is today much discontent with the status of accounting education. This discontent is justifiable. The fundamental question is: How may the situation best be rectified? In the view of the Study Group, given the nature and complexity of the situation, there is no single short-term solution. Our discussion of the issues involved and our judgment on the merits of one proposal, viz., that autonomous schools of accounting be established, is developed from this basis.

The Arguments in Support of Professional Schools of Accounting

This section of the report, organized under seven headings, contains a summary of the major arguments advanced in support of the proposal for the establishment of professional schools of accounting.

1. Greater Identity for the Profession of Accounting

A common argument used by proponents of the proposal is the greater identity an autonomous school of accounting would give the profession of accounting both in the university, among accounting faculty and students, and outside in the profession itself. This argument was presented most forcefully by the representatives of the Ontario Institute (ICAO). It was repeated by those whom we interviewed in the U.S. In both cases comparison was drawn between the profession of accounting and the profession of law.

It was argued that the profession and discipline of accounting has now evolved to the point where it is appropriate to establish accounting as a separate entity with its own autonomous educational base. An autonomous school of accounting would assist in providing the profession with a clearer professional identity and a higher profile. It would assist in recruiting academic accountants. It would also improve faculty morale and place the accounting group in universities in a position to improve the effectiveness of their arguments for more resources.

2. Greater Access to Resources

Supporters of autonomous schools of accounting are firmly persuaded that by this means those responsible for offering accounting education will have greater access to resources in the university. Among faculties

of business today, there is a widespread conviction that both historically and in the light of current enrolment pressures they are not receiving a sufficient share of the universities' resources; that internal institutional priorities are such that the resources required to meet their obligations are being denied them. Among academic accountants within schools of business, the same view is held; but it is applied by them as well to their situation within the business school. As a minority within most business schools, they argue that their specific needs are not adequately recognized or met. Thus, they feel doubly denied. Many academic accountants are persuaded that if they comprised a separate, autonomous academic unit, their ability to obtain what they consider to be a fairer share of the university's resources would be improved. They point to the relative affluence of faculties of law as an illustration.

3. Greater Control over Academic Appointments, Promotion, Tenure and Salaries

Proponents of the proposal for autonomous schools of accounting feel keenly the need to improve the procedures covering the appointment, promotion and tenure, and the salaries of academic accountants. Two groups with whom the Study Group met developed this argument, but from different perspectives. The Ontario Institute (ICAO) representatives held that accounting faculty should be rewarded for maintaining close contact with professional practice. Academic accountants argued

that as a group they were in a better position than their academic colleagues in other disciplines, even those in business, to determine what constitutes legitimate activities to be considered when determining academic career progress. Both groups argue that the peculiar needs of the accounting discipline can be appreciated best by those who have dedicated their careers to it. For this reason they argue that effective control over their essential concerns can only by achieved by the establishment of autonomous academic units within which academic accountants are able to determine, for and by themselves, how best to meet the needs of educating future members of the profession. Again, the paradigm of the autonomous faculty of law is commonly invoked.

4. Greater Control over the Curriculum

Proponents of autonomous schools of accounting also argue that such units would provide greater and more effective control by accounting educators over the curriculum of programmes in accounting. Noting that many students who currently sit the professional qualifying examinations in accounting lack a coherent academic preparation, they argue that the need for an improved curriculum can be met more easily if the entire programme is in the hands of faculty organized as a separate academic unit. Those in the United States who are members of such separate units judge this an asset in curriculum planning.

5. Improved Quality of Education

Combining the four arguments cited above, proponents of autonomous schools of accounting argue that such units would improve the overall quality of accounting education. They begin from the judgment that current quality is low (some would argue unacceptably so) and urgently in need of improvement. Course content, curriculum design, lack of teaching skills and other qualifications among faculty, too great a dependence on part-time and inexperienced faculty, inadequate counselling, etc., all contribute to low quality education for accountants. The high failure rate among those who sit the Uniform Final Exams is given as clear illustration of problems with quality.

While judgments vary on how poor the quality of current education in accounting is, undoubtedly there is great dissatisfaction with quality and genuine concern that improvements are urgently needed.[2]

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2. "Most accounting departments of Canadian universities are in a pathetic state. People with weak practical backgrounds and inadequate academic depth are not only teaching the students, but in some cases are also making educational policy decisions that are reducing the quality of university and institute accounting programmes. For example, it is not unusual to hear of situations where students are spending their time learning material that is either obsolete or is soon to be changed drastically. (See T.H. Beechy, University Accounting Programs in Canada: Inventory and Analysis (The Canadian Academic Accounting Association, 1980).) This time is taken at the expense of learning about conceptual bases that will prepare the student to cope with changes in pronouncements, and in the profession. It is probably fair to say that many accounting instructors in Canada are not familiar with current and expected future developments, and therefore are not able to introduce them into the classroom."

Report of the Special Committee on Chartered Accountants' Education in Alberta (Institute of Chartered Accountants of Alberta, 1982), Chapter 4, para. 4.3, p 43.

It is argued that establishing autonomous units which would enable academic accountants to gain greater control over the curriculum; to develop and implement more appropriate terms and conditions of appointment; to obtain access to more institutional resources; and generally to give the profession a clearer identity and a higher profile within the university are seen as important, even essential means to this important objective - improving the quality of accounting education.

6. Improved Student Morale

It is further argued that accounting students will identify more readily with a programme clearly located within a separate academic unit; that this will improve the morale of the students as well as their academic performance; and that it will be a factor in attracting a better class of student to the profession.

7. Greater Financial Support from the Profession

Proponents of the proposal also judge that its implementation would improve prospects for greater financial support for accounting education from the profession. It is argued that having such autonomous schools would make it easier to raise funds to support accounting education if the accounting firms being solicited knew that their donations were going to an identifiable unit such as a professional school

of accounting and not simply to the university where they might be drained off by the host institution for other purposes. The U.S. experience is cited to support this argument, since the developing schools of accountancy there are receiving some support from the profession.

An Evaluation of the Issues

This section contains an analysis of the major issues as seen by the Study Group. It begins with a brief description of the role of professional schools within the university as providing the relevant context.

The Role of the Professional Schools in the University

The Study Group does not intend to provide a detailed description of the role of professional schools in the contemporary university. We do wish, however, to state our firm view that professional education, including accounting, has a place in the university and to outline what that place involves.

The university is an institution committed to the pursuit of learning at the highest level, to the maintenance and advancement of knowledge in all disciplines through teaching and research. All academic units, departments, schools and faculties should accept those basic commitments

which are central to the meaning and mission of the entire university community. Different faculties, depending on whether they are formed by the core academic disciplines or are oriented to more practical or professional concerns, may place different interpretations on the meaning of scholarship and research, on excellence in teaching and publication. Yet all share the same commitment.

A recent report from the Senate Committee on University Planning (SCUP) of the University of Western Ontario makes the point well.

> Some Faculties may have special interpretations to place on these fundamental commitments. For example, programmes in some Faculties are built in part around essential clinical or "practical" experiences.
>
> Such special interpretations of the key concepts will often lie within a range of acceptable variation around the core meaning of the term in question. For example, although they are not identical, what is meant by a solid "education" in Chemical Engineering is not that dissimilar to what is meant by a solid "education" in Chemistry. This freedom to adopt local interpretations of the key concepts cuts both ways, of course; on the one hand, it requires a recognition by the rest of the University of any Faculty's right and obligation to develop an appropriate interpretation of concepts such as "education", "scholarship", "research" and "quality"; on the other, it requires a recognition by all Faculties that these are the key concepts in the mission of the University, and that they have a core meaning arising out of the traditional academic focus of the University.

Academic units involved with professional education derive their legitimacy in the first instance from the contributions they make to teaching the body of knowledge essential to the profession and

to contributing through research to the further development of that body of knowledge. This is their primary raison d'être and the basis on which they justify their existence to the university community, to the profession and to the wider community. At the same time, such academic units justify their existence to the profession they serve by demonstrating their direct relevance to the future well-being of that profession, by training future professionals and contributing through research to the advancement of that profession. The tensions between the academic interests that preoccupy the university and the practical or professional ones that are the primary concern of the profession are endemic; and it is unlikely that any professional school will be able to satisfy both groups on all issues all of the time. Nevertheless, this is the linkage role that professional schools have elected to serve. Their success in fulfilling this role is the measure of their true strength.

It is readily acknowledged that a professional school has a major responsibility in the education of future members of the profession, and in providing them with the necessary intellectual and professional formation required for the qualified practice of their profession. At the same time, the curriculum of the school should not be narrowly designed to meet simply the requirements of a professional licensing examination. This would unduly restrict the school in meeting its academic responsibilities. A professional school should not be expected to serve as the sole or even the principal gatekeeper for

the profession, regulating both the number and the qualifications of those who enter. On this point, we quote again from the UWO Senate Report.

> ...no university is obliged to act as any profession's 'entry regulator'; prospective students and professional associations should be made to appreciate that the interests of all are furthered if the autonomy of universities to establish the content and the relative size of all its programmes is preserved. The university has a responsibility to reconsider and change its programmes regularly to be responsive to legitimate social, economic and political needs, but agreement with the perceptions of sectors of society outside the university is not always necessary.

In brief, the Study Group considers it a mistake for the accounting profession to assume that its best interests will be well served by a professional school that is kept on a close rein by the profession to which it relates. In the short run, this may produce improvements; in the longer run, neither the profession nor the school is likely to be well served.

The Role of the Ontario Institute of Chartered Accountants (ICAO)

Reference has already been made to the simultaneous pressures on the professional school from its cognate academic departments on the one side and from the professional organization on the other. One of the dangers of responding to the pressures exerted by the profession through its organization is that the educational programme becomes unduly tailored by the expressed needs of that organization and as a result the graduates are suited only for the practice of that profession.

The Study Group is uncomfortable at the implications in the Report of the Ontario Institute that that body should establish an approval process for professional endorsement of schools of accounting, withholding approval if they failed to meet specified qualifications criteria.[3] We acknowledge that the Ontario Institute has the responsibility under "The Chartered Accountants Act" to ensure that students are adequately prepared to write the Uniform Final Examination, the qualifying examination for the designation of Chartered Accountant. We do not think that the Institute can best exercise this responsibility by qualifying those schools of accounting that meet the requirements of the UFE Syllabus and of the ICAO Course Content Subcommittee in their curricula and by withholding qualification from those that fail to do so. Were such a system of qualification to be developed, a form of accreditation, it should not be the sole responsibility of a professional body like ICAO.

One of the arguments in favour of an autonomous professional school involves the prospect of increased financial support for its activities from the profession. It is likely that such an entity would attract funding from the profession, but at what price, and to what effect? While support from the profession could be expected, it is hard to imagine that funding from the private sector would ever be sufficient to meet more than a small proportion of the costs. The majority

3. ICAO Report (1981), p. 11.

of the costs would be met from public funding and student fees. The ICAO, for example, proposes to contribute a total of $150,000 over three years, evidently expecting that the majority of the costs will be met from government grants and tuition fees. Yet this minority contributor of critical marginal funding proposes a very influential role for itself.

In every profession there are questions of how best to determine those factors that are to be considered in deciding on admission to the profession and on what agency should effectively make these decisions for the applicants. Such decisions should be made by the profession, not by the academic body responsible for the educational programme. The university has an essential role in encouraging students to learn, to explore, and to develop critical skills. This role may be compromised if in addition it is expected or required to determine admission requirements for the profession.

The Study Group is firmly of the view that control by an outside professional body over academic programmes and the activities of university departments, schools or faculties is undesirable, irrespective of the professional concerns of such a body or the degree of financial support it is providing to the university.

The Organizational Form of University Education in Accounting

"Organizational form" is a term used by both the ICAO and the group of deans of business whom the Study Group met. Representatives of the Canadian Federation of Deans of Faculties of Management and Administrative Studies (Ontario Region) told us that in their view the organizational form that university education in accounting took is not particularly important. What was important is the substance of this education. ICAO's proposals on substance were included in the publication, Professional Schools of Accounting in Ontario. The principal proposals there include greater control by accounting faculty over terms and conditions of appointment, including salaries, promotion and tenure, curriculum, and budget and approval by ICAO of university programmes in accounting.

The deans acknowledge the need to improve accounting education in their faculties; they share the concern of ICAO over difficulties in staffing and budget constraints; they agree that the faculty should have major involvement in matters affecting curriculum. They indicated, however, that they would prefer continuing discussion on all of these matters with their colleagues in accounting rather than to assume that a change in organizational form or structure was the solution.

The Study Group acknowledges that organizational form can be important. Even a casual observance of the ways in which universities operate will indicate that structure has an effect on operations. All other things being equal, those academic groups which are separate and autonomous have a greater probability of receiving the attention and resources they claim, and a greater chance to exert influence on the larger university constituency. If there is strong internal cohesion within the group whose members share common aims and objectives this probability is increased. It seems plausible, therefore, that a group of faculty in accounting of a reasonable size would have more influence if organized into a separate autonomous academic unit than would otherwise be the case if the group remained a minority within a larger school or faculty of business.

The question, however, is whether the advantages accruing to such autonomous organization outweigh the disadvantages. In the two U.S. universities visited by members of the Study Group the school of accounting is not an entirely free-standing administrative unit but is linked to a faculty of business in generally the same way in which a department is related to a faculty. This appears to be the common pattern for those schools of accounting that have been established recently in the United States.

In summary, we think that organizational form is important, but that its value cuts both ways and should be so recognized. An autonomous academic unit can facilitate the achievement of educational objectives, a point whose significance the deans of business seem to underestimate. At the same time, an autonomous academic unit carries its own costs for administration and coordination, a point the proponents of separate schools of accounting seem to overlook.

It should be observed in this connection that the analogy between accounting and law is not as close in reality as some would have it. Accounting education at the undergraduate level involves a curriculum that includes courses in arts and science and business as well as courses in accounting. The accounting programme, then, involves an amalgam of several disciplines; it is not restricted to accounting. This is substantially different from legal education. Students are admitted to the professional study of law only after they have largely completed their undergraduate education. As a consequence, the curriculum in law can focus more exclusively on the discipline, and the faculty and administrative structure be more appropriately self-contained. To suggest that schools of accounting be established on the model of schools of law implies assumptions about the free-standing nature of accounting education which are not in accord with the reality of the discipline of accounting and its necessary relations with other academic disciplines in the formation of professional accountants through an undergraduate curriculum.

The Study Group considers that the present shortcomings in university accounting education and the professional training for students planning to enter the profession of accounting are the direct result of the current excessive demand on educational resources relative to their availablility. More particularly, it judges that the underlying problem is the current grave shortage of academic accountants. No proposed solution should be entertained which does not specifically address this issue, an issue that is not susceptible to quick or easy resolution. This does not, however, diminish its importance. Proposals for organizational change may seem attractive in the short run, since they give the appearance of doing something to address the problems. Such proposals will only have merit in the long run, however, if they are successful in addressing this issue of the acute shortage of qualified faculty in accounting.

Conclusions

1. The model of a professional school of accounting proposed by the Institute of Chartered Accountants of Ontario (ICAO) in their Fall 1981 Report should not be accepted as the single mode of university education for future professional accountants.

2. Universities may appropriately offer some courses in accounting as part of the foundational education of baccalaureate students intending to seek admission to the profession. Individual universities should

be encouraged to experiment with alternative modes of content and organization in providing courses and programmes in accounting.

Whatever structure is adopted by a university for its involvement in accounting education, it should guard against certain dangers:

i. The public accounting profession should not exercise excessive influence over the accounting curriculum;

ii. An excessive emphasis on the "practical" as distinct from the theoretical aspects of the curriculum should be avoided;

iii. Students should be provided with appropriate exposure to fundamental subjects as well as to accounting;

iv. Effective cooperation among academic units needs to be assured. Students in an accounting programme will need to be able to have available courses from other areas of the university, and accounting courses should be available to students majoring in other disciplines; and

v. Care should be exercised in planning the accounting curriculum so that desirable breadth in the programme is not sacrificed.

3. The accounting profession should offer a programme leading to professional licensure that allows for the admission of university graduates on the basis of the foundations developed in their university education.[4]

A profession-run programme would have very substantial advantages for the profession of accounting. It would enable the profession to function as the gate keeper for the profession, determining the number of students admitted to the programme and thereby to the profession, a role that is inappropriate for universities. It would also enable the profession to determine appropriate admissions criteria for accounting, criteria based on the judgment of the profession about the abilities required for successful practice, again an inappropriate role for universities. Finally, it would enable the profession to control in detail the programme content to meet current profession-specific needs, something that universities should not do.

4. The Study Group notes with dismay the pervasive criticism by many whom it interviewed of the inadequacies of current university programmes in accounting. It recommends, therefore, that individual universities review the situation in their own institutions as a matter of urgency and that the Vice-Presidents (Academic) Group monitor the results of these institutional reviews.

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4. The Study Group notes that the different professional groups in accounting may not wish to establish a single profession-run programme. In that case, the current variety of programmes, some involving a university degree as a prerequisite others not, would continue.

5. The Study Group recommends continued financial support by professional organizations and employers of accountants of programmes in accounting education designed to increase the number of accountants qualified to accept academic appointments in the field of accounting.

The Study Group makes this recommendation in the light of its judgment that the current serious shortage of academic accountants is a major factor causing the existing constraints on the number, range and quality of university courses and programmes of accounting.

September 1982

A.W.R. Carrothers, Dean, Common Law Section, Faculty of Law
University of Ottawa

R.H. Crandall, School of Business
Queen's University

C. Leith, Vice-President, Academic
University of Western Ontario

W.J. Schlatter, Faculty of Business
McMaster University

F. Turner, Vice-President, Academic
Laurentian University (Chairman)

E.J. Monahan, Executive Director,
Council of Ontario Universities
(Secretary)

Council of Ontario Universities
Conseil des Universites de l'Ontario

Committee of Vice-Presidents (Academic)

Study Group on Accounting

Terms of Reference

1. To advise the COU, through the Committee of Vice-Presidents (Academic), concerning the desirability or otherwise of establishing a professional school or faculty of accounting in one or more of the universities in Ontario.

2. In order to determine the desirability, it will be necessary to:

   a) examine the extent to which the existing university programs meet the needs of all concerned with the education of accountants.

   b) consider the extent to which a professional school of accounting located in a university would improve the options for the education of accountants. In doing so, it will be helpful to examine prospective student and employer demand for a range of options that includes a professional school of accounting.

   c) examine the possible relationships between existing faculties and departments where accounting is taught and the proposed professional schools of accounting. In doing so, consideration should be given to how university-level education of accountants is handled in other jurisdictions and to the similarities and differences between the university education of accountants and other students.

3. To examine the questions that would have to be addressed before deciding to establish a professional school of accounting in a university setting in Ontario. Among such questions are the following:

   a) what is the necessary level of support, and how would that support be provided to the universities?

   b) what is the appropriate level of entry to the programs—first-year, after some undergraduate work, or post BA, and what is the appropriate length of the program(s)?

   c) what is the relationship of the school with the profession in setting curriculum, standards, and numbers?

d) what would be the desirable staffing arrangements, and how would these be met in the short-term and in the long-term?

e) what would be the impact on the rest of the university system in Ontario of establishing professional schools of accounting?

4. To report by June 30, 1982.

Composition

2 Vice-Presidents, Academic
1 Dean (or former Dean) of a Faculty of Commerce or Business Administration
1 Dean (or former Dean) of Engineering, or other professional faculty
1 Senior faculty member in Accounting

INTERVIEWS

Date	Location	Person(s) Interviewed
February 16/82	Toronto	INSTITUTE OF CHARTERED ACCOUNTANTS OF ONTARIO
		K. Dalglish, President A. Skinner, Member, Executive Committee D. Wilson, Executive Director A. Ally, Director, Education R.J. Anderson, Council member D.L. Derry, Chairman, Education Committee
March 15/82	Toronto	BRITISH COLUMBIA SCHOOL OF CHARTERED ACCOUNTANCY
		M. Gibbons, Associate Professor, University of British Columbia
		SOCIETY OF MANAGEMENT ACCOUNTANTS
		J. Ross, Society of Management Accountants of Canada, Executive Vice-President
		E. Scott, Society of Management Accountants of Ontario, Executive Director
		UNIVERSITY OF WATERLOO FACULTY
		J.R. Hanna L.G. Eckel H. Armitage
April 1/82	Toronto	BUSINESS SCHOOL DEANS
		M. Stewart, Dean, Wilfrid Laurier T. Shoniker, Professor, Ryerson E. Lande, Coordinator, Accounting, Ottawa G. Neal, Dean, Windsor W.B. Crowston, Dean, York R. Joyner, Former Dean, McMaster B. Kaleman, Associate Dean, Toronto
		ACCOUNTING PROFESSORS
		L.S. Rosen, York J.E. Smyth, Toronto L.J. Brooks, Erindale Campus, Toronto J. Pollock, Toronto

Date	Location	Person(s) Interviewed
May 3/82	University of Florida, Gainesville	H.P. Shaeffer, Director, School of Accounting Dean Lanzillotti, College of Business R.A. Bryan, Vice-President for Academic Affairs
May 4/82	University of Georgia, Athens	H. Miller, Director, School of Accounting V. Trotter, Vice-President, Academic
June 15/82	Toronto	H. Miller, Director, School of Accounting, University of Georgia

Appendix 3

MEMORANDUM

28 September 1982

To: Members, Council of Ontario Universities

From: Committee of Vice-Presidents, Academic

The Committee of Vice-Presidents, Academic met on September 27 to consider the Report on Accounting Education in Ontario Universities prepared by the Study Group which it established.

The Committee was pleased to receive the Report, recognizing that the Study Group had raised several major issues which were more important than some of the detailed questions posed in the terms of reference.

The Committee wishes to give added emphasis to four of the recommendations. Specifically:

2. iii) and iv): It is very important that accounting students should be provided with courses in fundamental subjects outside of accounting as part of their university education. It is also very important that the accounting faculty should offer courses in accounting as part of the university education of students in other fields.

3. It is definitely not the responsibility of the universities to act as "gatekeeper" to the professions. The role of the universities is to provide an education, which serves as the foundation for the eventual licensing of their graduates when they meet the additional requirements of the professions. Programs leading to professional licensure of accountants, which reflect the heterogeneous nature of the accounting profession, are already in place. Presumably, these programs could accommodate the alternative modes of content and organization in accounting education, which the universities are encouraged to develop in Recommendation 2.

4. The Committee agrees that the universities should maintain awareness of the quality of their programs in accounting. Some universities have recently reviewed their activites in this area, and plan to continue to monitor them. Ohters are about to undertake such reviews. In all cases, the universities intend to correct any shortcomings in their accounting programs to the extent possible under the difficult conditions described in the report. The Committee of Vice-Presidents agrees to monitor this activity.

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5. The Committee wishes to reinforce this recommendation by pointing out that the professional organizations and employers of accountants could make an important investment in the long-term quality of accounting education in Ontario by providing support for research. Funds to support graduate students in accounting and to provide operating support for accounting research projects would, in the long run, help to solve many of the problems identified in the report.

The Committee of Vice-Presidents, Academic recommends that COU accept the Report on Accounting Education, together with the above four paragraphs of comment and interpretation.

T. A. Brzustowski
Chairman

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Sept. 28/82